

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
NEW ALBANY DIVISION

|                             |   |                          |
|-----------------------------|---|--------------------------|
| IN RE:                      | ) | Chapter 11               |
|                             | ) |                          |
| EASTERN LIVESTOCK CO., LLC, | ) | Case No. 10-93904-BHL-11 |
|                             | ) |                          |
| Debtor.                     | ) | Hon. Basil H. Lorch III  |

**TRUSTEE'S OBJECTION TO MOTION FOR RELIEF FROM AUTOMATIC STAY  
AND ABANDONMENT OF PROPERTY FILED BY PEOPLES BANK & TRUST  
COMPANY OF PICKETT COUNTY**

James A. Knauer, the chapter 11 trustee appointed in this case ("Trustee"), by counsel, objects to the Motion for Relief From Automatic Stay and Abandonment of Property [Docket Nos. 300 and 317] ("Peoples Bank Motion") filed by Peoples Bank & Trust Company of Pickett County ("Peoples Bank") on February 28, 2011, as may have been modified on March 8, 2011. In support of this objection (the "Objection"), the Trustee states:

1. Certain petitioning creditors commenced the above-captioned chapter 11 case ("Chapter 11 Case") against Eastern Livestock Co., LLC ("Debtor") on December 6, 2010 ("Petition Date") by filing an involuntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. ("Bankruptcy Code"). This Court entered the Order For Relief in An Involuntary Case and Order to Complete Filing [Dock. No. 110] on December 28, 2010.

2. The Peoples Bank Motion requests entry of an order terminating the automatic stay of section 362 of the Bankruptcy Code and abandoning from the Debtor's estate certain real estate owned by Debtor and located in Harrison County, Indiana (as more particularly described in the Peoples Bank Motion, the "Real Estate").

3. The Peoples Bank Motion alleges that the Real Estate secures a loan made to Thomas and Patsy Gibson and that the Real Estate "is of no, or inconsequential, value to the estate and should be abandoned from the estate." (*See* Peoples Bank Motion ¶4.)

4. However, the Peoples Bank Motion does not reference the value of the Real Estate nor does it attach any loan documents whatsoever. Peoples Bank has not proven that it possesses a valid security interest in the Real Estate nor has it met the burden required for stay relief under section 362 of the Bankruptcy Code.

5. In addition, the Trustee believes that the Real Estate is contiguous with other parcels of real estate owned by Thomas and Patsy Gibson and which, if sold in conjunction with such other parcels, will realize proceeds exceeding the value of secured claims asserted against the Real Estate.

6. Peoples Bank also filed a motion seeking stay relief in the chapter 7 bankruptcy case of Thomas and Patsy Gibson, Case No. 10-93867 (the "Gibson Case"). That motion sought relief from stay and abandonment of certain other parcels of real estate located in Harrison County, Indiana and mortgaged to Peoples Bank by the Gibsons. Both the Trustee and the trustee appointed in the Gibson Case (the "Gibson Trustee") have objected to that motion on grounds similar to that stated herein.

7. The Trustee needs additional time to explore the feasibility and value to the estate of marketing and selling the Real Estate in conjunction with the Gibson Trustee.

WHEREFORE, the Trustee respectfully requests that the Court enter an order denying the Peoples Bank Motion and granting the Trustee all other just and appropriate relief.

Respectfully submitted,

By: /s/ Dustin R. DeNeal

*Counsel for James A. Knauer, Chapter 11 Trustee*

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# **CERTIFICATE OF SERVICE**

I hereby certify that on March 9, 2011, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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I further certify that on March 9, 2011, a copy of the foregoing pleading was served via electronic mail transmission on the following:

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